



Center For Medicaid and State Operations

August 20, 2002

Rod. L. Betit
Executive Director
Utah Department of Health
288 North 1460 West
PO Box 143101
Salt Lake City, Utah 84114-3101

Dear Mr. Betit:

I am pleased to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving Utah's request to amend its Primary Care Network Demonstration Project (No. 11-W-00145/8) to modify the benefit packages and copayments, and to make technical corrections to the Special Terms and Conditions.

Specifically, the following changes are approved.

1. Current eligibles who become pregnant will be moved out of the demonstration, and receive full State Plan coverage, for the duration of the their pregnancy through 60 days post partum. Special Terms and Conditions (STCs) II.2 and V.1 have been modified to reflect this change.
2. The authority for the enrollment fee to be imposed on any current eligible – optional or mandatory – will be removed. It may continue to be imposed on the Demonstration Population I. STC VII.5 has been modified to reflect this change.
3. For current eligibles, the following changes will be made to the covered benefit package:
 - a. Hearing and speech therapy services will no longer be covered;
 - b. Podiatry will be limited to essential procedures;
 - c. Dental services, and medical and surgical services of a dentist, will be limited to relief of pain and infection;
 - d. Mental health services will have the modified exclusions and coverage clarifications proposed in the State's amendment; and
 - e. Inpatient Medical Detoxification for Substance Abuse and dependency will be covered within the 30-day maximum inpatient days for mental health care.
4. For current eligibles, the co-insurance will be \$220 for each inpatient stay, subject to the \$500 maximum per person per year.
5. For Demonstration Population I, the following changes will be made to the benefit package:
 - a. Durable Medical Equipment coverage will be modified as proposed in your amendment; and
 - b. Hearing services will no longer be covered.
6. The methodology for counting base year expenditures in Attachment B has been further clarified.

Under the authority of section 1115(a)(2) of the Act, expenditures made by the State for items identified below (which are not otherwise included as expenditures under section 1903) shall, for the period of this project, be regarded as expenditures under the State's Title XIX plan.

1. Expenditures to provide Primary Care Network coverage to individuals age 19 and above with incomes under 150 percent of the federal poverty level who would not otherwise be eligible for Medicaid. (Demonstration Population I)
2. Expenditures to provide full Medicaid coverage to high risk pregnant women with assets in excess of the limit established by the state plan. (Demonstration Population II)

Exceptions to Medicaid Requirements for the Demonstration Population

In addition, the following will not be applicable to the Demonstration Population I participants:

1. Enrollment fee Section 1902(a)(14)
42 CFR 447.53-54

To enable the State to impose enrollment fees on Demonstration Population I participants in excess of that permitted in Section 1916(a)(1).
2. Retroactive eligibility 1902(a)(34)

To permit the state not to offer the Demonstration Population I participants retroactive eligibility.
3. Cost sharing 1916

To permit cost sharing that is more than nominal to be imposed upon the Demonstration Population I participants.
4. Payment for federally qualified health centers 1902(a)(15)
1902(aa)

To permit the state to pay for Federally qualified health center services provided to Demonstration Population I participants on a basis other than a prospective payment system.

Enclosed are the modified Special Terms and Conditions that define the nature, character, and extent of anticipated Federal involvement in the project. The award is subject to our receiving your written acceptance of the modified Special Terms and Conditions within 30 days of the date of this letter.

Congratulations on the approval of your amendment, and best of luck on its impending implementation. Your Project Officer for this project remains Sharon Donovan, who can be reached at (410) 786-2561. Jody Kurtenbach remains your Regional Office representative, and she can be reached at (303) 844-7039.

Sincerely,

/s/

Thomas A. Scully

Enclosure